

In fact

For The Millions Who Want a Free Press

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★ ★ ★ ★ ★ "In fact" restates its aims as America enters the war

[AN EDITORIAL]

THE great event of our time is America's entry into the Second World War, or "the bloodshed phase of the present conflict," when millions of young men will risk their arms, their eyes, and their lives again to make the world safe for democracy.

Before it is too late, before the present "voluntary" censorship intimidates everyone and fear prevents all from speaking out, I want to restate the purpose and policy of this newsweekly.

The march of history has now proven to the 6,000 persons who subscribed to our first issue (May 20, 1940) the two facts emphasized from then on: that the most powerful elements in the country, including a propaganda committee organized by Thomas W. Lamont of the House of Morgan, were pushing the United States into war; and that as war came nearer and nearer the Administration would draw closer and closer to a dictatorship. Few if any of the commercialized newspapers will dare mention the first fact, but even the pro-war Times (May 29, Krock column) will admit the second. Many months ago IN FACT produced the factual evidence of how the President, his Cabinet, most of the press, powerful men and forces, were conditioning the mind of America—public opinion—to accept war, and eventually to raise hysterical enthusiasm for it.

All of IN FACT's evidence of war preparations, inside stories of the secret meetings and powerful leaders planning to change the pacifist spirit into a war spirit, the newspaper campaign for conscription, the false peace issue in the Roosevelt-Willkie campaign, etc., etc., have now been substantiated by the course of events. Our first stories were read by perhaps 25,000 persons; today IN FACT has twenty-five times as many subscribers as it had for its initial issue—about three-quarters of a million readers.

As regards "policy," IN FACT will not change that—because it has no policy except to let the facts speak for themselves. There are of course millions of facts, and little room; therefore it is the aim of IN FACT to present only those facts which are suppressed in the standard press, or which are perverted or generally mishandled. For example: labor news. The press itself admits a history of unfairness to labor. Now that it is fighting the Newspaper Guild, it has even a greater personal-financial reason to hate labor. (About 2% is fair to labor, no more.) IN FACT, in presenting labor's side, therefore provides an antidote for the poison in the commercial press.

The same aim in presenting labor's side against the usual press misrepresentation actuates IN FACT in all matters, even to those of peace and war.

IN FACT is not anti-British. IN FACT will continue, if the censor will permit it, to tell the truth about Britain as it has in the past, the truth about interventionists, isolationists, pacifists. I do not know of any newspaper in America which is doing so. Chicago's Tribune, New York's News are anti-war; they are critical of British policy; they have mentioned India, but no newspaper has come to my notice which has told the real story. Months ago New York's ad-less paper, PM, ran one item about the British Hitlerites, Clivedeners and Tories, but soon after this paper went overboard for war, another story appeared saying the Clivedeners no longer counted. Certainly the 100% pro-war Times, Post and Herald-Tribune (whose owner's sister, British Lady Ward, had and may still have a mortgage on the paper) do not tell the truth about British Fascism; nor does Hearst, who was anti-British but who is now in the hands of the Chase National and other banks; nor Roy Howard's eighteen papers.

* * *

THE truth simply is this: Britain is not a democracy. Britain promises to be a democracy. Labor men are in the government. Promises are made that labor will have a say in the future. Some predict socialism; as many predict fascism. Parliament, in a debate of 43 minutes, conscripted labor. The plan to conscript wealth, agreed on in May 1940, has not been used. Propagandists, however, say that taxes will take care of great fortunes. Lloyd George told me in 1919 that the post-bellum taxes would break up the estates, smash all fortunes, produce a socialistic land with no rich and no poor, but when World War II came along the Cliveden Set owned the land and the fortunes, and the British workingman was as miserable as ever. Neither socialism nor democracy had been achieved.

IN FACT will continue (censorship permitting) to give you the documentary facts of the absence of democracy in the British Empire because even the anti-British commercial newspapers of this country will not do so, because getting at the real truth about Britain will involve the social and economic facts about America also, which no newspaper dares tell its readers. Truth is powerful; knowledge of facts leads to action. If the American press told you the truth about

the British and the American social-economic system, or even the truth about the enemies of America—the National Association of Manufacturers and other fascist elements exposed in Monograph 26 of the O'Mahoney Monopoly Investigation, a great story which 98% of the press suppressed—then it would follow that an enlightened American public would unite and vote for something better than our present social-economic system. This system still keeps 45,000,000 without enough food, shelter and clothing—and intends to keep them there even while fighting a foreign war in the name of democracy.

IN FACT will present the evidence of fascism in Britain and also in the United States; it will expose Reaction (which is fascism under another name, or Naziism) even among self-styled anti-fascists and anti-Nazis. As for me, the editor of IN FACT, I hereby declare that the moment Britain becomes a democracy I will not only publish that fact but I will volunteer my services to the British armed forces.

* * *

IN the original prospectus I wrote: "I belong to no party, no organization, no group, society or faction... I do not care what label is pinned on me. The viewpoint of IN FACT is simple: it is in favor of every idea, movement, and organization that is for what we carelessly call liberalism, democracy, progress, but it intends to show up the frauds which hide behind these words; it is pro-labor, and especially pro-progressive labor. It believes in the 'general welfare' as written in the Constitution, and challenges any publication feeding out of the hand of big business to prove by acts that its policy is the same."

The May 19 issue, celebrating its first year, added this statement: "The success of IN FACT has resulted in many curious reactions. The most curious, curiously enough, come not from the reactionary native-fascist press... but from little publications supposedly on the liberal side... In the year of its existence IN FACT has tried to live up to its program of presenting the factual truth omitted by the big press—the facts about labor, liberals, progressives, minorities, about men, organizations and movements which do not get a square deal in the commercial press... IN FACT will continue to print the facts suppressed or distorted by the commercial press. It will not engage in partisan disputes. It will not return the mud of libel, slander and redbaiting which jealous little publications now throw at the most successful independent weekly in America."

* * *

SO FAR as redbaiting is concerned, we advise all those who like it to read the Hearst, the Scripps-Howard and other anti-labor newspapers. It is a fact that most papers which are anti-labor, which suppress the news, which defend the viewpoint of big business and advertisers, are also red baiters. The manner in which the New York press, with the exception of PM, red baited the transport workers during the recent bus strike is one of a million proofs.

Nevertheless, this same PM which once told the truth about Britain and which later covered up the British Hitlerites, and which smeared John L. Lewis when Lewis turned against PM's presidential candidate, FDR, has also libeled the editor of IN FACT. On May 26 it named "14 men who refuse to see Hitler as a menace to us" and included my name among them. The fact is that I have fought Hitler, Hitlerism and Fascism in America at a time PM's editor was publisher of a newsweekly booming Fascism to the skies.

My dispatches exposing Mussolini and Hitler were printed in the Chicago Tribune from 1920 to 1929. Today I still believe Fascism is the world's greatest menace. I said so in my correspondence from Spain to the NY Post in 1937. Hitlerism, however, is the policy of the British ruling class as well as the policy of a large part of the American ruling class, and PM, in exposing Knudsen, Lindbergh, Ford and others has done something 99% of the American press has failed to do. But because IN FACT recognizes Fascism in Britain as well as America, Italy, Germany, Japan, Spain and Portugal, PM, which has gone out for England more hysterically than any other paper in America, now libels me by placing me among isolationists who refuse to see the menace of Hitler.

In an editorial, Editor Ralph Ingersoll of PM also lists me as follows: "GEORGE SELDES, Publisher of a left paper called IN FACT. Outspoken opposite of name-calling Gen. Johnson. As Gen. Johnson follows the right's money line, Seldes follows the left's Communist Party line."

This statement is a falsehood.

It is also, under a recent ruling by a New York judge, a libel. I insisted on a correction. In a lengthy interview printed June 2 PM made amends.

As I have stated frequently, I am not a Communist, I do not follow the Communist Party line, I do not know what the phrase means. *I follow no line but my own, which was stated when IN FACT was founded and is here repeated.*

No redbaiter has found fault with the contents of IN FACT. An attack has been made against me on the negative charge that I myself have done no red-baiting. There will be no baiting in IN FACT, red or otherwise. If I am able to get true news from Russia, China and Mexico (which usually get a dishonest deal in the press) I will print it. If again the entire press lies, as it did about "bombardment of civilians in Helsinki" or Russian fortifications of islands off Alaska for an attack on America, I will expose such falsehoods. If I make errors I will correct them. But when false statements are published about me, such as PM's charge that I am following any "line" but my own, I will demand corrections.

* * *

WE ARE at war. We are fighting two foreign fascist nations, but not fascism abroad or at home. We are at the beginning of a dictatorship which, judging from samples such as the war hysteria of 1918-20, the Ku Klux Klan, Negro lynching in the South, anti-Semitism everywhere, the Huey Long episode, the Coughlin wave, may prove as terroristic as that practiced by the nations we are fighting. IN FACT hopes in these difficult times to tell its readers the real news, and to keep aloft the torch of freedom of the press which is being used today by almost all our publishers to light up their business offices where the advertising bills are kept. My idea of a free press today is one which tells the facts the standard press dares not tell. My aim is to continue in time of war and dictatorship to tell the facts.

You who want to know the facts can join our Winter Soldiers, the 5,000 men and women each of whom has voluntarily obtained from 4 to 200 subscriptions. Since IN FACT is not a profit-making enterprise and since you are just as eager as I am to spread the truth to millions, I have no hesitation in asking your help.

Serge Seldes

The Road to War

ON May 20 1940 in our first issue, the first story told of a secret meeting at which Thomas W Lamont of the House of Morgan, Frederic R Coudert, legal advisor to British Embassy 1915-1920, Nicholas Murray Butler and Wendell L Willkie came together to prepare America for war entry. The organization formed then was the Committee to Defend America by Aiding the Allies. May 7 1941 this organization held a meeting in NYC for the purpose of preparing public opinion for convoys, and this week it was amalgamated with the Fight for Freedom Committee, which has advocated open declaration of war.

In our second issue we stated: "The administration chooses war."

In our third issue we quoted Whaley-Eaton financial service (June 1940): "There is no neutrality and America is now an active participant in the war."

Six months ago we quoted the Kiplinger financial letter, which predicted not only war, but also a form of fascist dictatorship for America. (Mr Kiplinger asked us not to quote his copyright letter in the future.) We told our readers the Wall Street press frankly informed its readers America was on the road to war.

Now, a year later, most papers admit we are in the war, and that the emergency gives the President dictatorial power.

The President cannot declare war. Only Congress can do so. But wars are no longer declared. What the President can do is to "take martial steps and bring about a state of war at any time in his opinion such steps are required for what he deems to be national and hemisphere security."—Arthur Krock, Washington correspondent, NY Times, May 29.

Moreover, "members of Congress seemed today clearly to have understood from these words of the President that, in the event he described, he will not wait on any consultation with Congress but will move in accordance with the outlined policy and strategy. This move could produce a state of war by executive action alone."

Apparently the president of a democracy is now more powerful than either of the two dictators he is about to fight.

Roosevelt's Speech

(From a Washington correspondent)

THE nation's press, with few exceptions, gleefully hailed the President's speech as a pronunciamento that would make war almost inevitable, but religiously avoided any reference to the forces which brought the Administration's foreign policy to a head at this time.

The fact is, according to those in Washington in a position to know something of what is going on behind the screen of unofficial censorship, that Roosevelt had not planned to reach the present crescendo until the middle or late summer.

There appear to be several reasons for this. President Roosevelt, although he has always taken the position that the economics of the war would make eventual US participation necessary, has from the beginning been intent on doing by "Aid to England" a great deal of what Hitler was trying to do by war on England. "The British," Roosevelt told one member of Congress many months ago, "are not going to do to me what they did to Wilson."

Consequently, the President has supported the Maritime Commission's policy

United States and Great Britain Continue

Trading With the Enemy While "Fighting Fascism"

TRADING with the enemy—a sort of treason on the commercial front—has taken place in this war as it did in World War I. Great Britain, France and the United States have provided arms, munitions, oil and money to Fascism. The old saying "Where iron is there is no fatherland," is being revised to read "oil and scrap iron."

It is a fact that the Allies could have won World War I in 1914 or 1915, long before America sent its sons to the battlefields.

It is a fact that the British and French supplied arms to the enemy, Germany, when almost a million Englishmen and Frenchmen were being killed every few months.

Food and metals were shipped to Germany from Britain and the US via Scandinavian countries. Britons profited and the government did nothing. Other materials were exchanged via Switzerland. When Bernard Baruch was put in charge of US production he put an end to trading with the enemy despite the protests of Swiss, Scandinavian and other governments.

Admiral Consett, British naval attaché in Scandinavia, stated: "We followed America; and an uninstructed observer might be excused for supposing that the blockade of Germany was undertaken by England at America's suggestion. Supplies to Germany gradually fell away until in 1918 they dried up. The blockade was two and a half years late." Documentation: Admiral Consett's "The Triumph of Unarmed Forces."

Baruch's War Industries Board threatened to stop food shipments to starving Scandinavian nations if they shipped war supplies to Germany. Historian Hilaire Belloc said of Consett's confession that a complete blockade would have ended war in 1915 or '16: "No replies are possible to the facts alleged. They have not been denied. They are true. . . . The Great War could have been won in 15 to 20 months if the British naval power had been employed by the politicians and their financial supporters to blockade the enemy. The politicians, working on behalf of commercial and financial interests, decided otherwise. . . . Whoever in the second half of the war has lost a son or a brother or a husband can blame the politicians, or the men of wealth whom they obey. . . . It is history."

The second half of the documentation was supplied by Mr Baruch to the editor of IN FACT for his book *Iron, Blood & Profits* (pages 89-91).

IN FACT is now engaged in unearthing the story of trading with the enemy in World War II.

Anglo-German Deal in Diamonds

From confidential sources within one of the world's most fantastic industries, IN FACT has learned that at any time since the start of the war the British government has had it within its power to smash the German war machine.

The British government has not exercised this power.

For eight years Germany has been developing synthetic materials, but for one commodity, without which German industry could not exist, there is no ersatz: diamonds.

Diamonds are used in the manufacture of important machine tools. Machine tools are the bottleneck of the munitions industry. Diamonds are the bottleneck of the machine tool industry. Diamonds are needed for drilling, for turning and polishing, for machining gears. Diamond dies are used for drawing copper wire. The auto industry, which is the biggest customer for industrial diamonds, uses them for truing emery wheels. The Ford Motor Co buys \$500,000 of industrial diamonds a year, more than that since the start of the war, when the price of industrials skyrocketed.

The British Diamond Syndicate is the world's most austere and thorough-going monopoly. At the outbreak of war German industry was estimated to have a six months' supply of diamonds. When German machine shops continued to turn out machine tools six months later, it was apparent that industrial diamonds were still finding their way into Germany from the cool, dignified offices of the British Diamond Syndicate at 8 Charterhouse St, London.

South Africa to Berlin

About 90% of the world's diamonds are produced in South Africa. The British Syndicate owns about a third of the mines, has an interest in most of the rest, and has a selling contract with all of them. J P Morgan & Co, through Anglo-American Corp; the Guggenheim interests, through a Belgian corporation; the Portuguese government and the South African government are represented in the Syndicate but it is controlled by Sir Ernest Oppenheimer and a handful of Englishmen. Before the war, rough diamonds were mailed by parcel post from South Africa to London, sorted and sold at a fixed price to brokers who took them to Amsterdam and Antwerp for cutting and polishing. Most Belgian and Dutch diamond merchants have now arrived in the US. The offices of the Syndicate, IN FACT has learned, were recently transferred from London to Rockefeller Center. June 15 a new Diamond Club will open in the Salmon Tower in NY, which will replace all other diamond markets in the world.

Everyone in the diamond business knows that diamonds for Germany are sent openly to South America and from there to Dakar by the Italian Lati air

line, which is still functioning. Gems go to Germany by the same route for polishing, payment being made in industrial diamonds so no foreign exchange is necessary. Since there is a high tariff on polished diamonds from Germany, they are sent to Lisbon and trans-shipped. There are two German diamond importing firms in NY.

Why Doesn't Britain Stop the Trade in Diamonds?

Diamond merchants report a brisk traffic in British certificates of necessity for shipments from Lisbon, although a few small shipments have been sequestered for the duration of the war by British in Bermuda. Belgian brokers now in Buenos Aires have boasted to Americans in the diamond business that it was possible to make several million dollars in Lisbon in a few months from dealing on the open market in British certificates of necessity and navicerts.

In addition to diamonds from the regular channels Germans take almost all of the small output of black carbonadoes, the hardest known industrial diamonds, which are mined in interior provinces of Brazil. Recently a large group of US brokers went to South America to handle the trade.

Diamond merchants with whom IN FACT has talked have several explanations for the ease with which the German diamond trade is carried on. The Ministry of Economic Warfare is much stronger than in World War I (approximately 3000 Englishmen work in the contraband control in Bermuda), but its top officials were closely associated with pre-war appeasement and they are reluctant to interfere with peacetime business. The personnel of the Ministry, being trained in the practices of international business, is somewhat susceptible to corruption.

All diamond brokers, however, are required to have licenses from both the Economic Ministry and the Diamond Syndicate. It is a criminal offense to possess a rough diamond without a license. The traffic in industrial diamonds, even so, is almost impossible to control except at the source. In this instance control at the source is exercised by the powerful, profit-minded Diamond Syndicate. In the 1920s the government of South Africa attempted to buck the Syndicate, but when the diamond market broke in 1927 it was obliged to go on its knees to the Syndicate to get enough money for ordinary government expenses. Since then the Syndicate has had no trouble with government officials. The Boer War was fought at the Syndicate's behest, and the heads of the Syndicate are powers in the British Tory Party, which still runs Britain. The Ministry of Economic Warfare finds it difficult, according to IN FACT's information, to do anything to offend the Syndicate.

Only about 15% of the Syndicate's profits come from industrial diamonds, but it sells gems and industrials in the same parcel, which brokers must buy intact. As a result of the boom in machine tools, the price of industrials is the highest in its history. The Syndicate's interest in Germany is not only because Germany is a good customer. Before the war the cutting and polishing of diamonds was gradually shifting from Antwerp to Germany because of blocked marks and low German labor costs. The most incongruous aspect of the diamond business is that the gigantic profits of the Syndicate have always been based on the \$4-a-week pay of South African diamond miners, confined within electrified barbed wire, and the \$6-a-week pay of 30,000 cutters and polishers in Antwerp and Germany. Now, though some large diamonds are being cut in NY, almost all small diamonds are cut in Germany. The Syndicate not only gets high prices for the diamonds it sells Germany, diamond merchants conclude, but also pays virtually nothing for expert cutting and polishing. For the Syndicate, trading with the enemy is immensely profitable.

The anti-fascist newsletter *The Hour* reveals (May 24) that Germany recently has been shipping large quantities of diamonds and other stones to America, that American concerns are marketing them, thus giving the Nazis foreign exchange. "Among those US concerns most actively involved is the Pioneer Import Corp located at 157 Chambers St, NYC. . . . Pioneer has large deposits on banks in Berlin; German banks are advancing handsome sums as 'loans' to Pioneer."

The trade journal, *National Jeweler*, using Department of Commerce figures, reported in its May issue that in the six months ending in December the US imported \$8,064,704 of rough diamonds, \$7,363,614 of cut diamonds. For February, the last month for which there are accurate figures, \$617,833 of polished diamonds were imported from Germany and occupied Europe. This was considerably more than imports from the rest of the world combined. Meanwhile, some \$800,000 of industrials were being imported from South Africa. Some of the polished gems from occupied Europe undoubtedly were seized by German troops in the invasion of Holland and Belgium. Ten minutes after German troops crossed the border most diamond merchants were in their private planes on their way to Paris, but some pro-Nazi members of the Syndicate are supposed to have turned over to Germany a supply of gems mined in the alluvial fields of the Belgian Congo. However, this supply was exhausted long before February of this year, and most of the polished diamonds now being imported from Germany and Belgium, IN FACT sources declare, represent rough diamonds which reached Germany last summer and fall, a year after war was declared.

(Note: American and British oil sales to Germany and Japan and other revelations in future issues.)

of letting the British use their own merchant ships, or as a last resort, outmoded American vessels, so that when the war ended, no matter how it ended, the US would dominate the sea routes of the world. Maritime Commission officials acknowledge candidly that when Admiral Land several weeks ago advocated use of US naval units to protect British shipping, he did so in the fervent hope that protection of existing British merchant ships would be a satisfactory substitute for further transfers of American bottoms.

It is known that when President Roosevelt was supposed to speak two weeks ago, the British had very bluntly advised this government that they could not carry the ball alone much longer.

At the same time, the President's personal observers, sent out to sample opinion, reported that the American people had little appetite for war. They said that movie audiences were apathetic to newsreels featuring inflammatory material.

The President decided he was too ill to make the scheduled speech and postponed it two weeks. The ensuing pressure from the war forces in this country and from the British was so great that he did a last minute job of whipping up the freedom-of-the-seas psychology but held in abeyance specific steps to implement his stated war policy.

Already the unofficial censorship has been tightened. Nothing is being said about where our Atlantic patrols are going or what they are doing. The first that the American people may know of this is when a ship is sunk, creating the desperately desired incident without which it is exceedingly difficult to sell "freedom-of-the-seas." The stock answer to all questions today is the one the President used at his press conference following his speech. He said that three-fourths of everything asked fell in the category of information Hitler would like to have.

Also ignored by the press in general was the corroboration by the President, in his speech and at his press conference, of reports that attempts to appease Japan further were being pushed to allow freedom of action in the Atlantic. Japan was not mentioned in the speech, and at the press conference the President said he had no immediate plans to alter present shipments of fuel oil to Japan.

Answer to FDR Suppressed

ALTHOUGH it had been announced in advance that an answer to the President would be made over a nationwide hookup by Rep Vito Marcantonio, most newspapers suppressed that story May 31. Even isolationist papers which boom Lindbergh, Wheeler and Wood refused to mention Marcantonio. The reason is plain from the text. Marcantonio said:

"Despite the frantic activity on the part of the press, radio, false leaders of labor, and those who occupy the seats of the mighty, to scare you, the American people, into a state of war hysteria, over 90% are opposed to involvement. . . . It is precisely due to your overwhelming opposition to war that the President sought by means of a fireside speech proclamation to take the issue of war and peace away from the Congress of the US and away from you, the American people. . . ."

"This is not a war for democracy. It is a war of Hitlerism vs Hitlerism. Hitlerism can and must be defeated. The only weapon against Hitlerism is real democracy. . . ."